

MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
MARCH 15, 2002 MEETING

Members Present: Dell Loy Hansen, Jerry Oldroyd, Ted Smith, Barbara Zimonja, Karen Alvey, Joel Bradford, Mark Howell, Debra Tanzi

Members Absent: Dave Simmons, Alan Ashton, Ed Ekstrom, Bill Boyle, Shelli Gardner, Richard Nelson, Kenneth Woolley

Visitors: Greg Bell, Envision Utah; Brice Wallace, Deseret News; Paul Blanchard, Layton Construction; Lesley Mitchell, Salt Lake Tribune; B. Murphy, Financial Solutions

Staff: David Winder, Bob Fuehr, Dick Bradford, Kerry Bate, Marian Hein, Lisa Howe, Tamee Roberts, Chuck Spence, Tracie Cayford, Vaughn Walsh, Todd Hauber, Bonnie Burley, Ron Richins, Dan Mabey, Jeri Openshaw, Dave Douglass, Johnny Bryan, John Homer, Lorena Riffo-Jenson, Mark Renda, Inge Krogue, Leigh von der Esch, Chuck Schell, Martin Hansen, Deborah Lindner, Kelly Day

Welcome and Approval of Minutes

Chairman Dell Loy Hansen welcomed everyone to the meeting and called for a motion on the approval of the December 21, 2001 and January 18, 2002 minutes.

MOTION: **Barbara Zimonja moved to approve both sets of minutes with the December minutes being amended to show that Karen Alvey was in attendance at that meeting. Debra Tanzi seconded the motion and all favored it passing.**

Envision Utah Presentation

Debra Tanzi introduced Greg Bell, Chairman of Envision Utah. Mr. Bell gave a detailed presentation on the Governor's Quality Growth plan along with examples of how the plan is currently working in several towns along Utah's transportation corridor. Envision Utah was created to educate and motivate people, particularly land developers, to be publicly responsible and to contribute to Utah's quality of life.

Review of DBED Board Statutes

Earl Maeser was unable to attend the meeting so this item will be included on next month's agenda.

Division Report

Bob Fuehr reported that the division's involvement in the Olympics was extremely successful. He gave highlights of the various programs DBED was involved in.

Torch Relay - The torch relay went through 46 states in 65 days and was viewed by an estimated 1.5 million people. The estimated advertising value of the department van that accompanied the torch route was around \$9 million which is a pretty good return for a \$300,000 investment. Nine receptions were held in various cities along the torch route. The receptions were hosted by the governor and were attended by 2,732 people.

Global Ventures Capital Conference - Prior to the Olympic kick-off, the Wayne Brown Institute held the Global Ventures Capital Conference. This effort was strongly supported by DBED's International group. An announcement of major investments made during that conference is expected soon. Twenty four of the 27 companies presenting at the conference were from Utah.

Country Centers - The 20 country centers hosted 98 events with a combined total of over 18,000 guests. The International program co-hosted 84 of those events involving over 7600 guests. Over 2 million hits were received on the International web site from 28 countries and 42 states leading up to and during the Olympics.

Utah Business Club at the Devereaux - The Utah Business Club at the Devereaux had 84 partnering entities and 79 events involving 42 Utah companies. Almost 8,000 guests went through the club. Twenty sponsoring companies donated over \$440,000 in in-kind donations. Mr. Fuehr congratulated Ms. Riffo-Jenson and her staff for the fact that of the \$2 million appropriated by the legislature, \$340,000 of that had been earmarked for Devereaux hosting and we ended up using none of it. The club was actually run at a profit.

Guest of State Wave Program - There were 26 Guests of State in Utah on the Wave Program. The guests represented venture capitalists, site selectors, high tech and bio-med companies. Our goal is to add 10,000 high tech jobs over the remainder of the 1,000 day plan. These jobs will bring somewhere between \$750 million to \$1 billion in economic impact annually to the state.

By in large, there were over 200 volunteers from throughout the department and community that helped with the Torch Relay, the Country Centers, the Utah Business Club at the Devereaux and the Wave Program. Many staff went above and beyond the call of duty with their time and effort not only during the 17 days of the games but in the months leading up to it. The last major event scheduled at the Devereaux, a closing party for the USA Paralympic Team, will be held tomorrow night.

Dave Winder reported that the state leaders saw the opportunity the division has to capitalize on the hundreds of contacts made during the Games and provided \$1.25 million of one-time funding to help in that effort.

March Consent Calendar

IAF Action Items

Skyline Forest Resources: The Escalante Sawmill has operated in Escalante in Garfield County since the 1970's under the management of the Steed brothers. In 1993, the mill was sold to the present out-of-state owner. It is a relatively small forest products operation, which has operated profitably for a long time. The present out-of state owner does not desire to continue to operate the mill in Escalante. The total mill has been offered to the Steed Brothers for \$500,000. It was announced that the mill would close operations in January, with a loss of 100 jobs. The average wage paid by the sawmill is \$20,662. The Garfield County median is only \$11,100. When the community found out that the mill was being forced to close, entities such as the Five County AOG, the SBA, the owners themselves and the Rural Development Office put together financing to help the mill sustain its business. They have applied to the IAF for an incentive of \$150,000 to create 101 employee positions. It is projected that all 101 employees will be hired in the first year. The Rural Development office helped to finance a small mill to mill the small timber right on site, which will increase productivity. The Forest Services in the area has been meeting with the Dept. of Natural Resources to find out the availability of timber. The Committee wants to make sure that the State's incentive is used as an incentive, not as a replacement of owner's equity. Therefore, conditions have been set before the payouts can occur. The Committee suggested that the disbursement be made in two parts: 50% of the incentive paid out at 6 months and the remaining 50% paid out at a year.

MOTION: **Mark Howell moved to approve the incentive as outlined above. Karen Alvey seconded the motion and all present favored it passing. Motion carried.**

Custom Fit Training & Product Development

Barbara Zimonja reported that Goldman Sachs applied for Custom Fit Training monies following its successful IAF application.

MOTION: **Barbara Zimonja moved to approve funding for Goldman Sachs Custom Fit Training in the amount of \$500 per employee up to a maximum of 100 employees with total funds not to exceed \$50,000. The funding is tied to incremental job growth and training that will take place in 2002. Jerry Oldroyd seconded the motion and all favored it passing.**

April 19, 2002 Proposed Agenda Items

- ▶Centers of Excellence Proposals
- ▶Governors 1,000 Day Plan

Other Business

MOTION: **Ted Smith moved to adjourn this meeting to enter into an executive session to discuss personnel issues. Debra Tanzi seconded the motion and all favored it passing.**